



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

March 3, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

DEPARTMENT OF HEALTH SERVICES REQUEST TO APPOINT GARY MCMANN TO THE POSITION OF ADMINISTRATOR, CONTRACT PROGRAMS AND SPECIAL SERVICES

Consistent with County Policy on management appointments, the Department of Health Services (DHS) requests authorization to appoint Gary D. McMann to the position of Administrator, Contract Programs and Special Services at an annual salary of \$159,205.20 (\$13,267.10/month), placing him on Step 12 of this S14 position. We have reviewed the request and concur with the attached DHS request to appoint Mr. McMann.

As an Administrator, Contract Programs and Special Services, Mr. McMann will report to the Administrative Deputy, Health Services and will serve as the Chief, Supply Chain Management. In this capacity, Mr. McMann will provide senior level oversight of the system-wide supply chain and area materials management services and programs, including strategic planning, value analysis, group purchasing and standardization, materials management information systems, quality improvement and related activities. In addition, Mr. McMann will be responsible for implementing consistent policies and procedures such as state of the art supply chain/value analysis principles within DHS, negotiate with vendors, collaborate with all stakeholders to ensure quality of products and services, and maintain and perform special studies as assigned by the Administrative Deputy, Health Services.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

Each Supervisor
March 3, 2010
Page 2

DHS indicates Mr. McMann has over 36 years of experience in the healthcare field, holding various senior-level positions in supply chain management for large non-profit healthcare organizations, and a copy of his resume and additional information from DHS is attached.

Accordingly, the salary placement for Mr. McMann at Step 12 of this S14 position, which represents a 34.9 percent increase over his current salary, is consistent with the level of experience and knowledge that he brings to this position and the increased level of duties and responsibilities required for such position within an organization the size of DHS.

In accordance with the policy on managerial appointments, unless this Office is informed otherwise by your offices by March 15, 2010, we will advise DHS that authorization has been granted to proceed with Mr. McMann's appointment to Administrator, Contract Programs and Special Services at an annual salary of \$159,205.20 effective April 1, 2010.

If you have any questions, please contact me, or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:SAS
MLM:DL:gl

Attachments

c: Executive Office, Board of Supervisors
Department of Health Services
Department of Human Resources

030310_HMHS_MBS_McMann

NON-PHYSICIAN MANAGEMENT APPOINTMENT REQUEST

Candidate Name: Gary D. McMann

Employee No.:

(Check one) NEW HIRE: PROMOTION:

I. FACILITY/PROGRAM

A. Provide organization chart & highlight the position:

SEE ATTACHMENT

B. Describe where the position fits into the management organizational structure:

This position (Administrator, Contract Programs & Special Services) functions as the Chief, Supply Chain Management and reports to the Administrative Deputy, Health Services.

C. Describe the duties and responsibilities which reflect the scope and complexity of the position:

The Chief, Supply Chain Management has primary responsibility for directing the development, administration and evaluation of the system-wide supply chain/materials management services and programs, including the strategic planning, value analysis, group purchasing & standardization, materials management information systems, quality improvement and related activities. This position will be expected to identify and implement significant cost savings across the diverse areas of the Department of Health Services (DHS) supply chain management, including, but not limited to, system wide redesign and process improvement, logistics, sourcing, purchasing and warehousing.

D. Indicate the candidate's unique qualifications, special skills or abilities, work background or experience, etc.:

The DHS Executive Team conducted interviews for eligible candidates for this position within the past month. After extensive interviews and verification of qualified candidates across the nation, the Department made an offer of employment to Gary McMann.

Mr. McMann is a Fellow with the American College of Healthcare Executives, the primary leading national organization for health professionals. Mr. McMann has over 36 year's experience in the health care field, holding various senior level positions such as Director, Supply Chain Operations, Director, Supply Chain Management, Director, Oncology Services, Vice President, Support Services and various other health related management positions. The candidate has overseen supply chain activities for hospital systems and associated clinics and nursing homes across a two-state jurisdiction. In addition, he has overseen large and small bed multiple hospital facilities and free-standing clinics responsible for planning, directing and implementing all supply chain activities within the affiliated network. He has also been responsible for hospital operations at the clinic level that included medical oncology, radiology oncology, social services, clinical trials, facilities engineering, food services, accounts payable, and property management. DHS conducted an extensive recruitment process over an eleven (11) month period to identify a superior candidate to function in this vital Supply Chain role within our organization.

Mr. McMann's demonstrated expertise in supply chain management and value analysis, with particular emphasis on large Non-Profit Healthcare and Armed Forces system-wide cost efficiencies, supports the department's identification as our top candidate. His leadership and strategic planning abilities enabled his last two employers to recognize several million dollars in supply chain and associated systems cost savings. Given the current fiscal environment and the scope, scale and complexities associated with managing this type of endeavor in a large department, it is imperative that DHS recruit an Executive Team leader with Mr. McMann's broad based background to phase in strategic supply chain and purchasing initiatives throughout our Healthcare facilities. Mr. McMann was also named one of "The Ten People to Watch" by the Journal of Health Care Contracting in the July/August, 2009 publication of this nationally recognized journal for supply chain management. Specific initiatives implemented by Mr. McMann include, but aren't limited to:

- The candidate's advanced experience and involvement in Value Analysis (VA) are illustrated via his accomplishments as Director, Supply Chain Operations of Billings Clinic in Montana. Mr. McMann implemented a new Value Analysis program with the assistance the Network's group purchasing organization, clinical staff, Lean Six Sigma Operational Excellence team and organizational leadership staff. In this role, his team developed dashboards to track and report VA initiatives and results, created new product request forms and criteria, engaged the vendor community to assist with product data reporting and a root cause protocol for product/equipment misadventures. The program development began in January 2006, was in full swing by October 2007 and remains successful and active to date. He established and formalized value analysis efforts at Centura Health Systems in Denver. As the Director, Supply Chain Management for three St. Anthony Hospitals, he chaired the monthly value analysis Stewardship Action Committee, which involved 4 VA consultants for the system with whom we worked to identify, research, analyze and justify system-wide products and equipment changes regarding new and replacement items and/or standardization of same. This experience was from August 2005 to October 2006. From January 2000 to January 2004, his strategic planning value is illustrated in his leadership role as Manager of Material Services at Benefis Health Systems, where he set-up organizational value analysis teams in the areas of medical surgical supplies, pharmacy, laboratory, environmental services, facilities and environmental services. These programs were very successful in driving well organized and properly coordinated clinical and non-clinical cost saving opportunities. His lead teams did such a superior job that the concept was eventually adopted system-wide within the Providence Services network of hospitals in Eastern Washington and Montana.
- At the Billings Clinic (272 bed hospital plus 225 physician outpatient clinic), Mr. McMann was responsible for a major reengineering of supply chain operations to include complete restructuring needed to enhance and improve operational aspects of the supply chain function. This also involved the establishment of an organized and viable integrated delivery network (IDN) of seven hospitals and one clinic. He established value analysis positions and programs, initiated a supply chain informatics program, negotiated and implemented a Billings based distributor warehouse to service this 272 bed facility, outpatient multi-specialty clinic, 140 bed nursing home, outpatient clinics and 8 affiliate hospitals/clinics. In addition, one of these programs was nationally publicized through articles in both "The Journal of Healthcare Contracting" and "Repertoire" magazine. Mr. McMann was also named one of "The Ten People to Watch" by the Journal of Health Care Contracting in the July/August, 2009 publication of this nationally recognized journal for supply chain management.

DHS will be asking for additional compensation based on the extensive skill set that Mr. McMann will bring to DHS. The additional salary is warranted, given the candidate's background and experience, cost of living differences associated with Southern California vs. Montana, salary surveys of Supply Chain compensation and the driving necessity for DHS to recruit a Manager who will give immediate demonstrated value in our efforts to reduce our budget deficit with the various cost savings measures that need to be put in place for the Department.

E. Provide the candidate's résumé or curriculum vitae:

SEE ATTACHMENT

F. Identify highest paid subordinate reporting to this position:

Name: _____ Employee #: _____ Title: Hospital Materials Manager

Base Monthly Salary: \$ 8,331.91 Base Annual Salary: \$99,982.92 Salary Range/Quartile: 100D, Step 5

G. Identify management position above the position requested

Name: _____ Employee #: _____ Title: Administrative Deputy, Health Services

Base Monthly Salary: \$ 16,650.11 Base Annual Salary: \$ 199,801.32 Salary Range/Quartile: R 18

II. HUMAN RESOURCES

Certify that the position is vacant and budgeted:

YES NO

Verify current salary of the individual for whom the request is being submitted.

CURRENT BASE SALARY: Month: \$ 9,833.16 Annual: \$ 117,998.00 Range, Quartile:

NEW HIRE OR PROMOTION: Designate amount of proposed monthly salary based on standard 5.5 increases and/or verify that requested salary is consistent with other managers in the department.

PERCENTAGE INCREASE OVER CURRENT SALARY: 34.92 %

PROPOSED SALARY: Monthly: \$ 13,267.10 Annually: \$ 159,205.20 Range, Quartile: S14, Step 12

Reviewed listing of all internal equivalent positions within facility/program:

YES NO

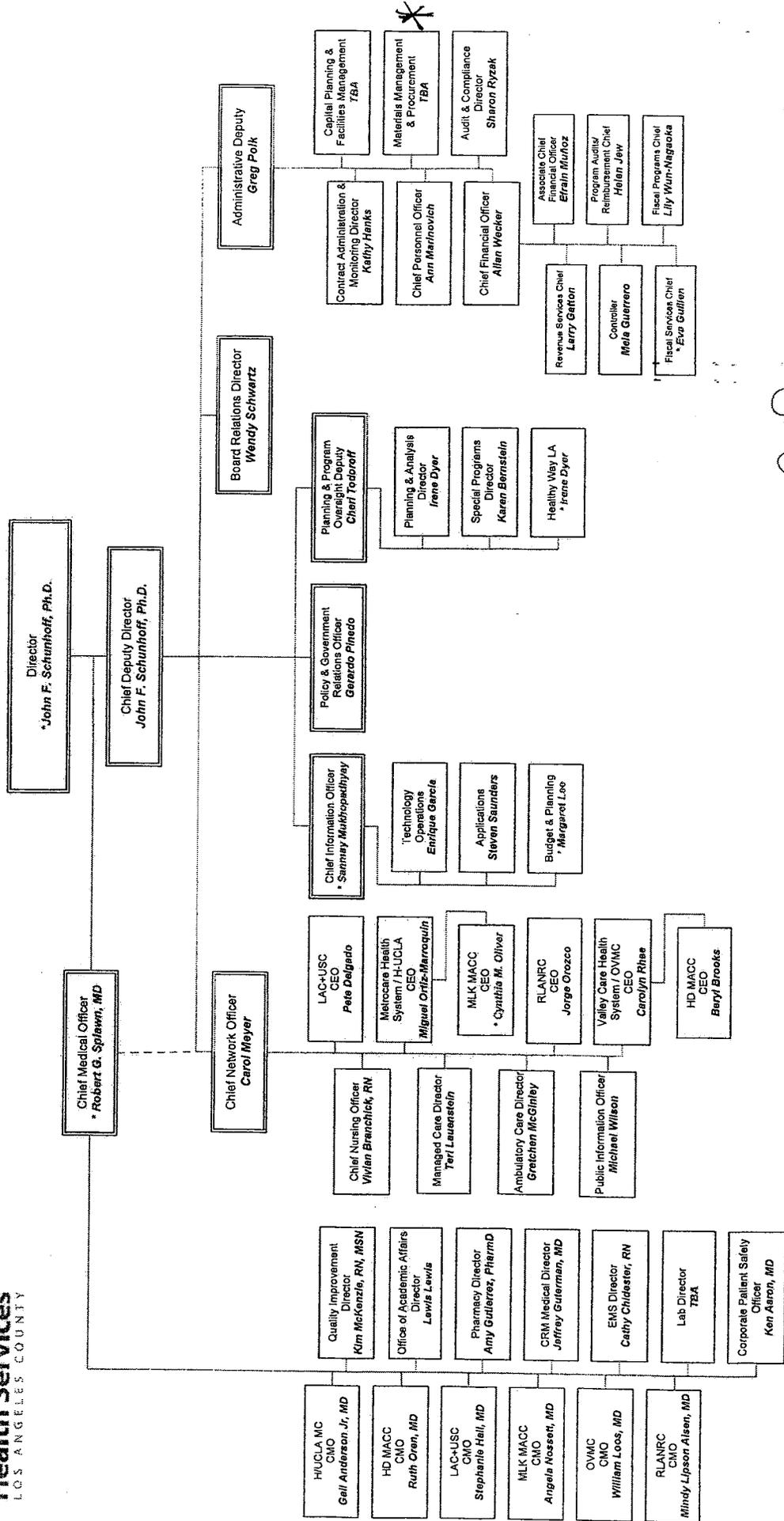
Verify that candidate is listed on the appropriate Certification List and is reachable:

YES NO



Health Services
LOS ANGELES COUNTY

DEPARTMENT OF HEALTH SERVICES
Organizational Chart



[Signature]
John F. Schunhoff, Ph.D.
Interim Director

* Interim
* To Be Announced (TBA)

2-16-10
Date

Gary D. McMann

PROFILE: Comprehensive senior level experience in healthcare operations management and leadership.

- Accomplished communicator with board members, physicians, organizational staff, professional groups and the community
 - Extensive experience in the areas of financial management, strategic planning, process/quality improvement, change management and implementation of jointly sponsored solutions
 - Proven ability to build teams and move staff toward achieving peak performance
 - Highly skilled in hospital, clinic and healthcare delivery system supply chain operations and re-engineering
-

HEALTHCARE EXPERIENCE:

2006 – Present

BILLINGS CLINIC, Billings, MT

Director Supply Chain Operations

Direct oversight, management and leadership of supply chain programs and strategy for this 272 bed acute care hospital, 7 affiliate integrated delivery network (IDN) hospitals and multiple clinics and nursing homes located in a two-state area. Responsible for strategic planning, program development and tactical implementation related to purchasing, shipping/receiving, warehousing, distribution, inventory management, courier services, document center, informatics, value analysis, contract management, negotiations and staff/vendor relations consistent with the organizations vision, mission and values.

- **Reengineered supply chain program:** Revised departmental organizational structure through efficient use and development of an operations manager, systems analyst, purchasing information center and clinical resource consultant capable of strategic support to our new IDN
- **Reorganized Product Review and Standardization**
Function: Established a new stewardship action model with the aim of cost containment, concentration on increased staff satisfaction/efficiency, sensitivity to educational needs and focus of best practice patient outcome
- **Expanded Omnicell Program:** Negotiated a coterminous agreement that tied up several loose-end Omnicell agreements; added new cost saving technology (Optiflex open architecture system); upgraded existing technology to a “one-touch” user friendly entry system; and extended this state-of-the-art technology into the ED, cath lab, interventional radiology,

- endoscopy, surgical services and dialysis – resultant ROI computed at \$5.3 million over a five year term
- **Renegotiated Xerox Equipment Agreement:** Renegotiated an early renewal to take advantage of current pricing on the latest technology plus added color copy capability that saved us over \$60,000 in outside color copy charges and added copier scanning capability at no increased lease rate
 - **Developed and Deployed an Integrated Delivery Network (IDN):** Major effort spanning 6 months that set the process in motion to deliver significant supply chain value and services to our seven affiliate hospitals through an organized and viable integrated delivery network...all hospitals are currently taking advantage of our high tier level savings and lower distribution cost plus mark up
 - **Organized and Negotiated “No Cost” Laundry Consultation Visit:** As a new Board member of the Billings Clinic – St. Vincent laundry joint venture, identified laundry operation defects within the first month and negotiated a “no cost or obligation” laundry consultant visit by a Denver based firm...consultant offered us several cost saving suggestions and we achieved full-circle laundry operations that reduced costs, increased efficiencies and improved overall operations
 - **Negotiated Radiation Oncology Equipment Purchase:** Invited to serve as the prime negotiator for our joint venture cancer center involving the purchase of a new linear accelerator, CT simulator and upgrade of the existing linear accelerator...successfully trimmed \$1.2 million off the initial bid package
 - **Established Clinical Value Analysis Program:** Organized, developed and implemented the first patient outcome driven supply chain value analysis model for this organization...established product/equipment review criteria and selection parameters in conjunction with clinical experts
 - **Orchestrated Development, Design and Execution of New Distribution Model:** Established nationally publicized “zero stock-out” distribution model that brought our first regional medical supply distribution center into Montana

2005 – 2006:

CENTURA HEALTH, Denver, CO

Director Supply Chain Operations – St. Anthony Hospitals/Clinics
Corporate level leadership and management of supply chain operations for three hospitals (480 total beds) and four freestanding clinics. Also responsible for strategic planning, tactical solutions and implementation of all supply chain related programs for a newly constructed 25 bed hospital as well as supply chain functions for a 350 bed hospital in the design phase of planning.

- Established cross training program for warehouse, distribution and receiving functions
- Designed and developed supply chain program and operations for a new 25 bed hospital that opened December 7, 2005
- Reduced overall inventory levels by 20%

- Developed a new materials organizational structure for all three St. Anthony hospitals...placed the right people in the right positions that support strong leadership and healthy succession planning
- Authored and implemented vendor policy/confidentiality program
- Organized Stewardship Management Action Teams at two of the larger hospitals – data/metrics based reporting system emphasizing supply cost awareness, contract compliance and vendor management
- Reengineered supply chain operations and was recognized after 14 months by receiving the annual Departmental Excellence Award

2004 – 2005:

GREAT FALLS CLINIC, Great Falls, MT

Administrative Director Oncology Services

Start up operations, leadership and management of oncology services to include the areas of medical oncology, radiation oncology, social services and clinical trials/research. Oversee the construction, equipment acquisition, staffing, marketing and program development of the first full-service cancer treatment center in Great Falls, Montana.

- Recruited cancer center nursing, technical and support staff
- Coordinated acquisition/installation of linear accelerator, CT simulator and high dose radiation (HDR) equipment licensure
- Assisted in the development of new billing forms for medical and radiation oncology—increased accuracy and charge capture
- Coordinated development of a new and improved computerized oncology scheduling system for medical/radiation oncology
- Identified building redesign needs to enhance patient flow and staff efficiency
- Coordinated activities to establish oncology outreach programs at rural hospitals within our service area
- Actively involved with marketing efforts to create brochures, news articles and local presentations to business and civic groups
- Developed and set in motion activities in support of a patient appearance/prosthetics fitting program and patient centered education program
- Successfully opened the new cancer center that exceeded operational and financial expectations

1999 – 2004:

BENEFIS HEALTHCARE, Great Falls, MT

Vice President Supply Chain/Support Services

Responsible for operational leadership and management of several areas within this two-campus regional hospital including: Outpatient clinics, supply chain management, facilities/clinical engineering, food services, environmental services, contract management, accounts payable, lease/property management (five medical office buildings). Oversee successful mission accomplishment through the application of sound management principles aimed at enhancing quality, containing costs and maximizing access to services.

- Re-engineered materials management functions by converting to just-in-time inventory management...reduced stock by more than 35%
- Investigated, negotiated and implemented automated inventory storage and tracking technology...significantly reduced stock outages, obsolescence and inappropriate use of supplies...enhanced nursing staff satisfaction and retention
- Achieved organization best practice in team building and service...materials management staff turnover rates less than 2%

- Achieved “best in system” fill rates, invoice and shipping accuracy of 99% three consecutive years
- Coordinated renovation and construction activities involved with adding a five story tower for new state-of-the-art operating rooms, cardiology and administrative wing
- Consolidated two outpatient clinics thereby increasing patient access and market share...reduced operating costs by 18%
- Initiated and finalized contract negotiations for implementation of pharmacy robotics system...automated dispensing increased staff efficiencies and decreased potential dispensing errors to less than 1%
- Reorganized the lease management program for five medical office buildings...eliminated potential for Stark related violations, improved physician satisfaction and increased occupancy to over 95%
- Redesigned housekeeping and laundry operation...greatly increased staff efficiency and reduced work related injuries by over 30%
- Investigated, negotiated and implemented outsourcing of dietary and food services—reduced 6 FTE’s through attrition, increased cafeteria revenues by 15% and reduced food costs by 5%
- Hired the first hospital based Executive Chef in Great Falls—added over 100 new and improved recipes, and significantly improved patient, staff, and physician satisfaction

1998 – 1999:

GE MEDICAL SYSTEMS (GEMS), Milwaukee, WI

Consultant, Materials/Imaging Services Business Solutions

Provide comprehensive imaging services business solutions to hospitals and clinics. Design, develop and implement system-wide quality initiatives to streamline processes, enhance service, reduce costs and increase market share; create a spirit of trust and cooperation to maximize customer relations; implement change acceleration process tools and techniques; develop and deliver formal presentations to healthcare executives, physicians, department heads and support staff.

- Served as a key consultant on a major business solutions initiative for a large hospital system resulting in overall cost savings of \$2.2 million
- Conducted time in motion studies in administrative and clinical areas that provided solutions to long-standing bottlenecks in document and patient movement—enabled streamlined patient throughput and increased staff and physician satisfaction

1993 – 1998:

**MALMSTROM AMBULATORY CARE CENTER, Great Falls, MT
Administrator (Lt. Colonel, U.S. Air Force)**

Administer a \$22 million budget and lead a staff of 250; provide organizational leadership and direction of the center’s outpatient surgery clinic, dental clinic, support departments, and administrative services; negotiate contracts; direct/oversee construction and renovation projects; coordinate personnel programs; maintain financial management and information systems functions; direct managed care operations; ensure efficient inventory and supply distribution system; establish solid customer relations and quality improvement programs; nurture, support and preserve strong physician relations; and oversee development of the organizational strategic plan.

- Completed construction of a new mental health clinic and total renovation of a large state-of-the-art health and wellness facility
- Expanded managed care physician network from 149 to 450 health

care providers in less than one year

- Ranked #1 out of 33 Air Force clinics in overall customer satisfaction and won Secretary of the Air Force Quality Award honors two consecutive years
- Achieved JCAHO accreditation with commendation (98 out of 100)
- Recruited a general surgeon and established logistical support and other protocols necessary to gain approval for 23 hour observation in the ambulatory surgery unit

1990 – 1993:

**EIELSON AMBULATORY CARE CLINIC, Eielson AFB, AK
Administrator**

Administer a \$14.2 million budget and lead a staff of 194; provide organizational leadership and direction of clinical and support services; negotiate contracts; direct/oversee construction and renovation projects; coordinate personnel programs; maintain financial management and information systems functions; establish effective supply chain management program; direct managed care operations; ensure solid customer relations and quality improvement programs; nurture, support and preserve strong physician relations; and develop the organizational strategic plan.

- Planned and organized aircraft transportation service for specialty care at distant referral hospitals
- Established shared supply distribution system with nearby Army hospital—increased fill rates to over 98% for both facilities
- Planned and coordinated construction of a freestanding aerospace medicine clinic
- Coordinated highly successful material services performance improvement initiative—reduced medical supply costs by \$178,000
- This facility had never been JCAHO accredited—achieved JCAHO accreditation (with commendation) on the first attempt

EDUCATION:

1990:

Fellow: Ambulatory Services Management – San Antonio, TX

- Completed one-year fellowship training program, Office of the U.S. Air Force Surgeon General
- Externship at Henry Ford Medical Center, Detroit, MI
- Organizational Development Course, Harvard University

1981:

Golden Gate University – San Francisco, CA

Masters Business Administration (MBA), Concentration: Health Services Management

1978:

Midwestern State University – Wichita Falls, TX

Bachelor of Science (BS) Radiologic Technology, Minor: Business

AWARDS/RECOGNITION:

2009:

Selected by The Journal of Healthcare Contracting to be featured (as a supply chain executive who truly stands out in the industry) in their annual “The Ten People to Watch” July/August 2009 publication.

- 1995: Outstanding Service Award as Deputy Commander, Air Force Medical Operations Southwest Asia (Air Force Clinics in Saudi Arabia, Kuwait, and United Arab Emirates)
- 1988: Air Force (AFMPC) Young Health Care Administrator of the Year

PROFESSIONAL AFFILIATIONS/ACTIVITIES:

- 1981 to Present: American College of Healthcare Executives (ACHE) – Fellow
- 2003 to Present: Association for Healthcare Resource and Material Managers (AHRMM)
- 2008 to Present: Chair – VHA Mountain States Purchasing Group
- 2008 to Present: Board Chair – Joint Venture Hospital Laundry Services
- 2003 to 2004: Board Member – PEAK Health & Wellness Center
- 2002 to 2003: Board and Finance Committee Member – Spectrum Medical
- 1997 to 1999: Chair – Regional Community Health Council – Montana

PUBLICATIONS:

Total Fulfillment, The Journal of Healthcare Contracting, July/August, 2008

NOTE: Also published in Repertoire Magazine, January, 2009

What Kept You Up at Night in 2008, The Journal of Healthcare Contracting, November/December, 2008

Round Table Discussion Item, “How often do you see suppliers take the initiative in helping cut costs for a health system?” My response was published in Repertoire Magazine, April, 2009

Round Table Discussion Item, “How can vendors and distributors be a source of support to their customers in case of a pandemic or other emergency?” My response was published in Repertoire Magazine, October, 2009

Approved for publication in January 2010:

- Jointly prepared article titled “Supply Chain Stress Test” to be published in The Journal of Healthcare Contracting January Edition.